

Alaska Energy Cost Reduction Program Progress Report

Grantee: Alaska Power and Telephone Company

Project Name: APC Mergers and Consolidation Project, Prince of Wales Island
(POW Upgrades)

Grant # 0073-DC-2002-I26

Period of Report: Second Quarter 2006 (April 1 through June 30, 2006)

Project activities completed:

- The Klawock Over Current Protection (OCP) was completed and implemented in July 2003
- The Kasaan Switchgear upgrade was completed in 2002
- The removal of abandoned TV cable in Klawock was completed in 2002
- The insulation of the power plant building in Kasaan was completed in 2002.
- Raptor protection installation completed on Harbor View Drive in 2002.
- Replacement of undersized poles from Klawock to the POW Hatchery was completed in March of 2003.
- Three phase power extensions to three customers were completed in 2002
- Right-of-way issues were resolved and the Re-route of Anchorage Ave was completed March 2004
- Replacement of deteriorated poles in Klawock was completed in March 2004
- Replacement of 480-volt overhead distribution system was completed in August 2004
- Received material for installation in Thorn Bay
- Ordered material to complete Kasaan primary cable replacement

Project existing or potential problems:

Long lead times on transformers and materials have delayed project.

Activities targeted for Next Reporting Period, July 1 through September 30, 2006:

The final Thorn Bay transformers have arrived and will be installed by the end of August 2006. Long lead times on this item delayed project. Expect completion by end of September 2006.

The actual replacement of Kasaan cable is scheduled as the weather and the materials availability allows.